

Quarterly Audit Briefing

October 22,
2020

Mary Hull Caballero
City Auditor

- Groundwater management
- Enhanced services districts
- Contracting social equity



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Groundwater

City identified risks,
must develop a
long-term plan to
address them

Issued: June 2020



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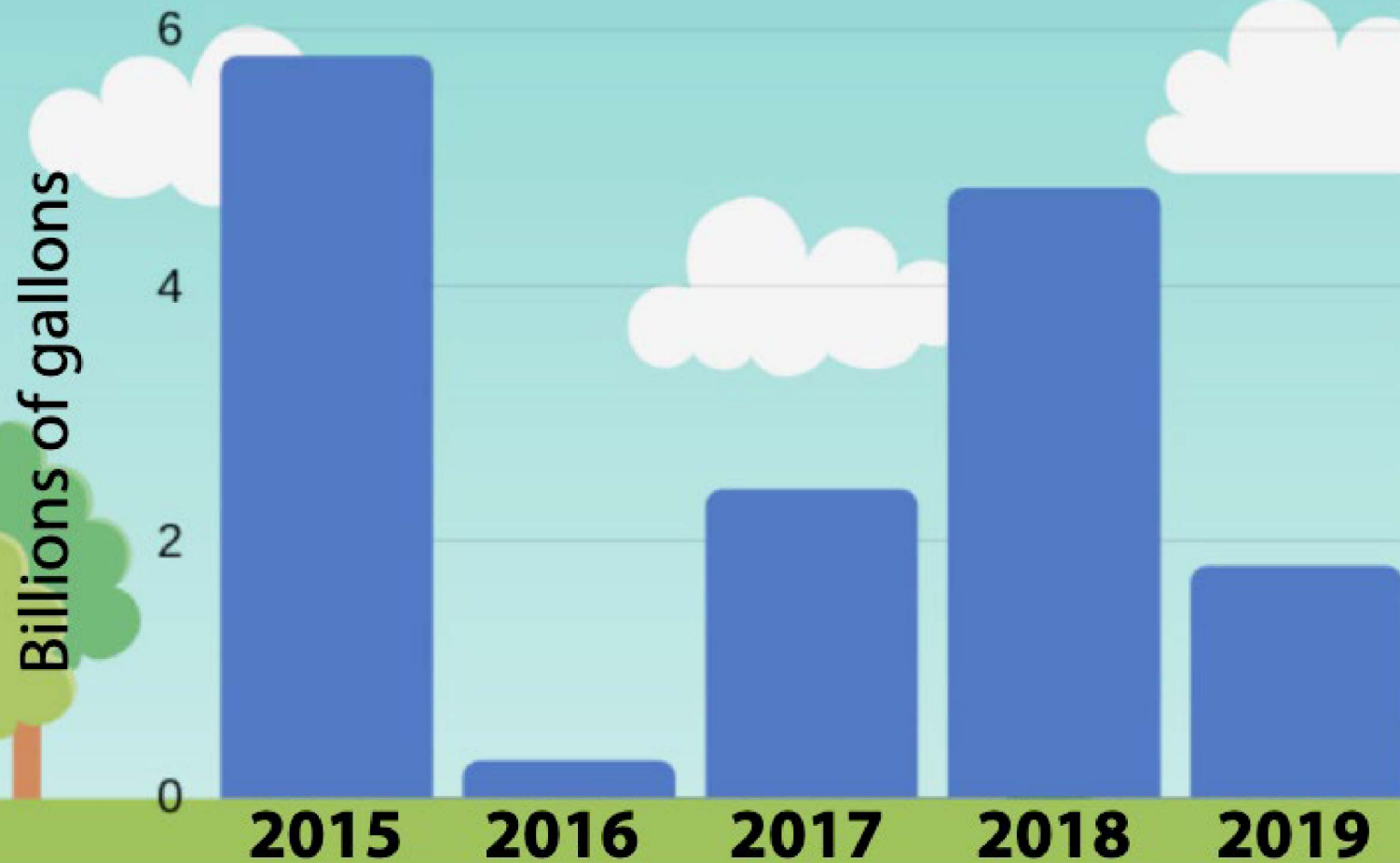


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Groundwater use varies by year



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Water quality
challenges

Capacity planning

Seismic and
emergency
preparedness

Asset management



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Water quality
challenges

Capacity planning

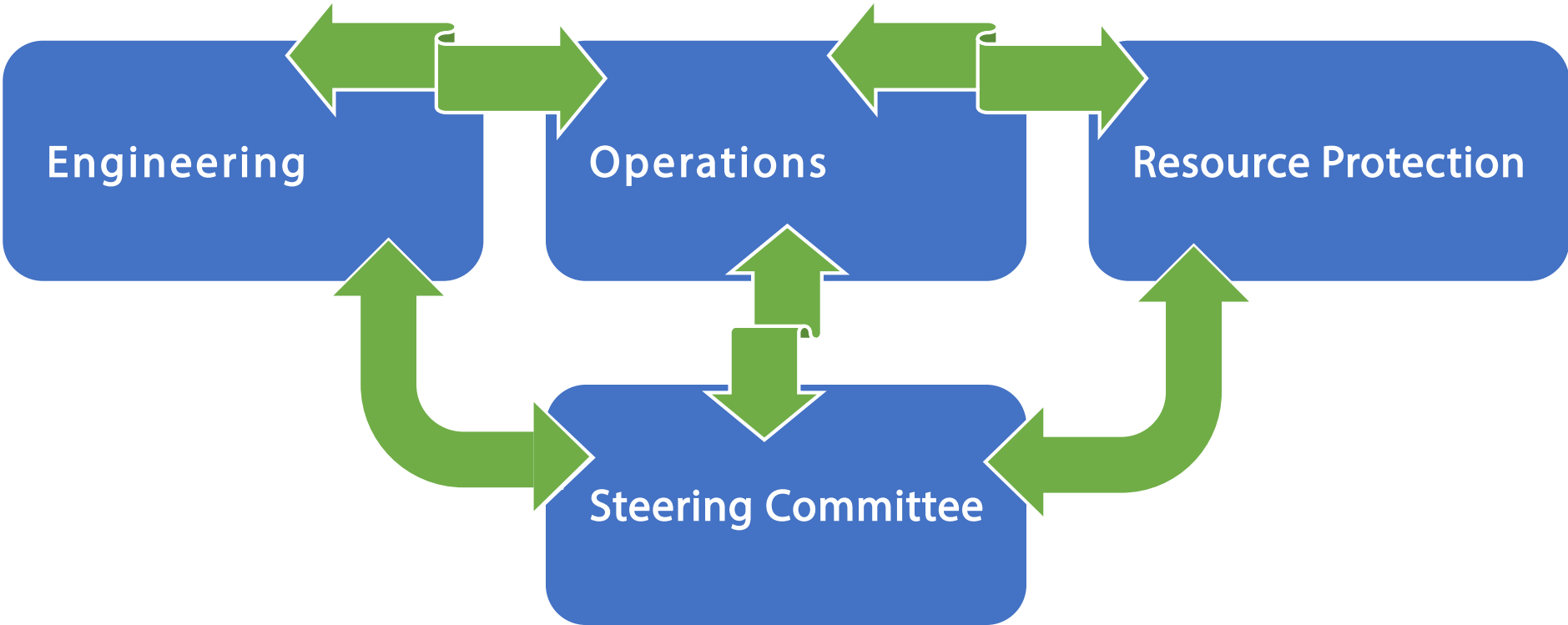
Seismic and
emergency
preparedness

Asset management



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Recommendations

- Clarify and document the decision-making roles and organizational structure of the groundwater program to help ensure issues are addressed in a timely and complete manner.
- Document all identified needs for groundwater system improvement. Develop a consolidated, long-term plan to prioritize actions within limited resources.



Contact:

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Enhanced Services Districts

**CITY PROVIDES LITTLE OVERSIGHT
OF PRIVATELY FUNDED PUBLIC
SERVICES**

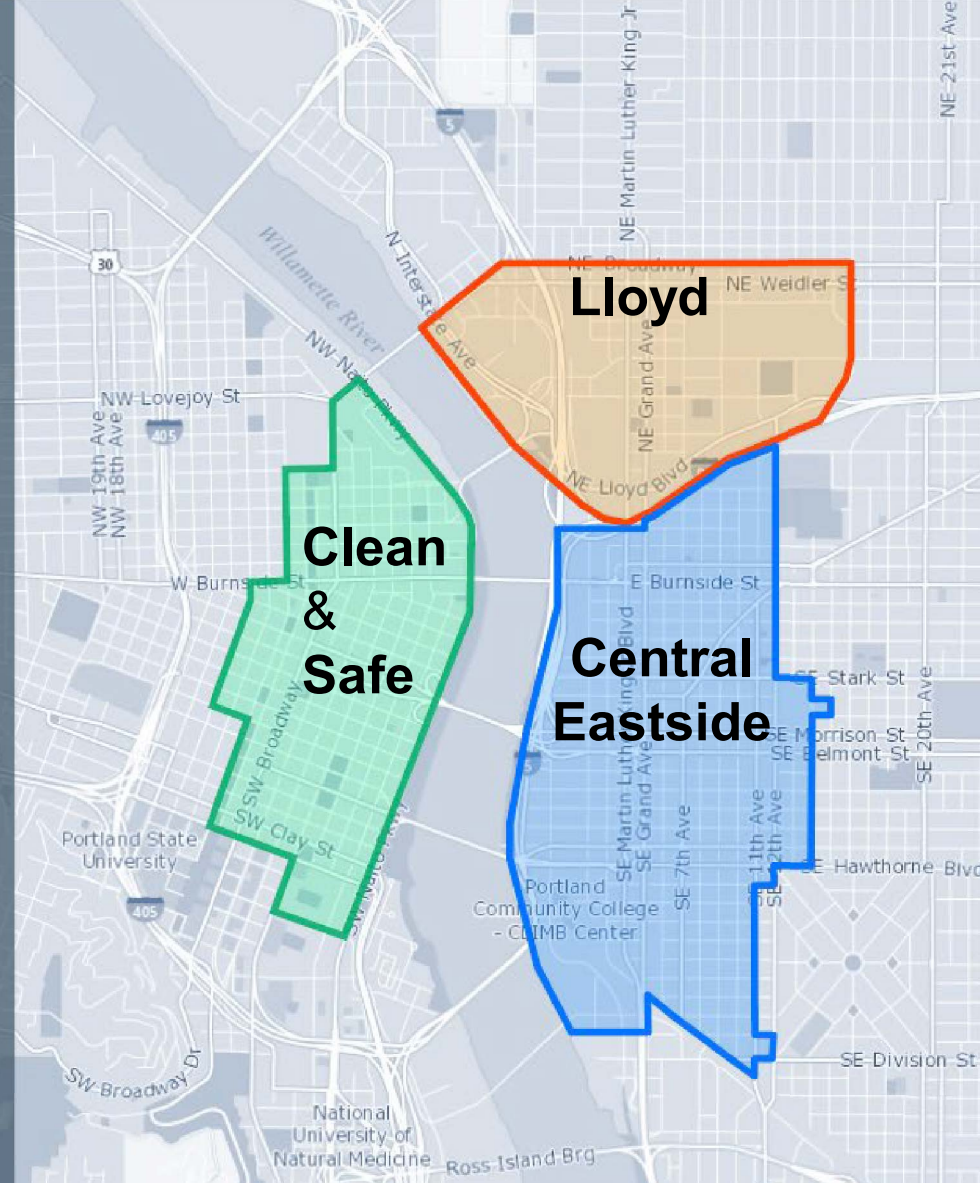
August 2020



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Enhanced Services Districts

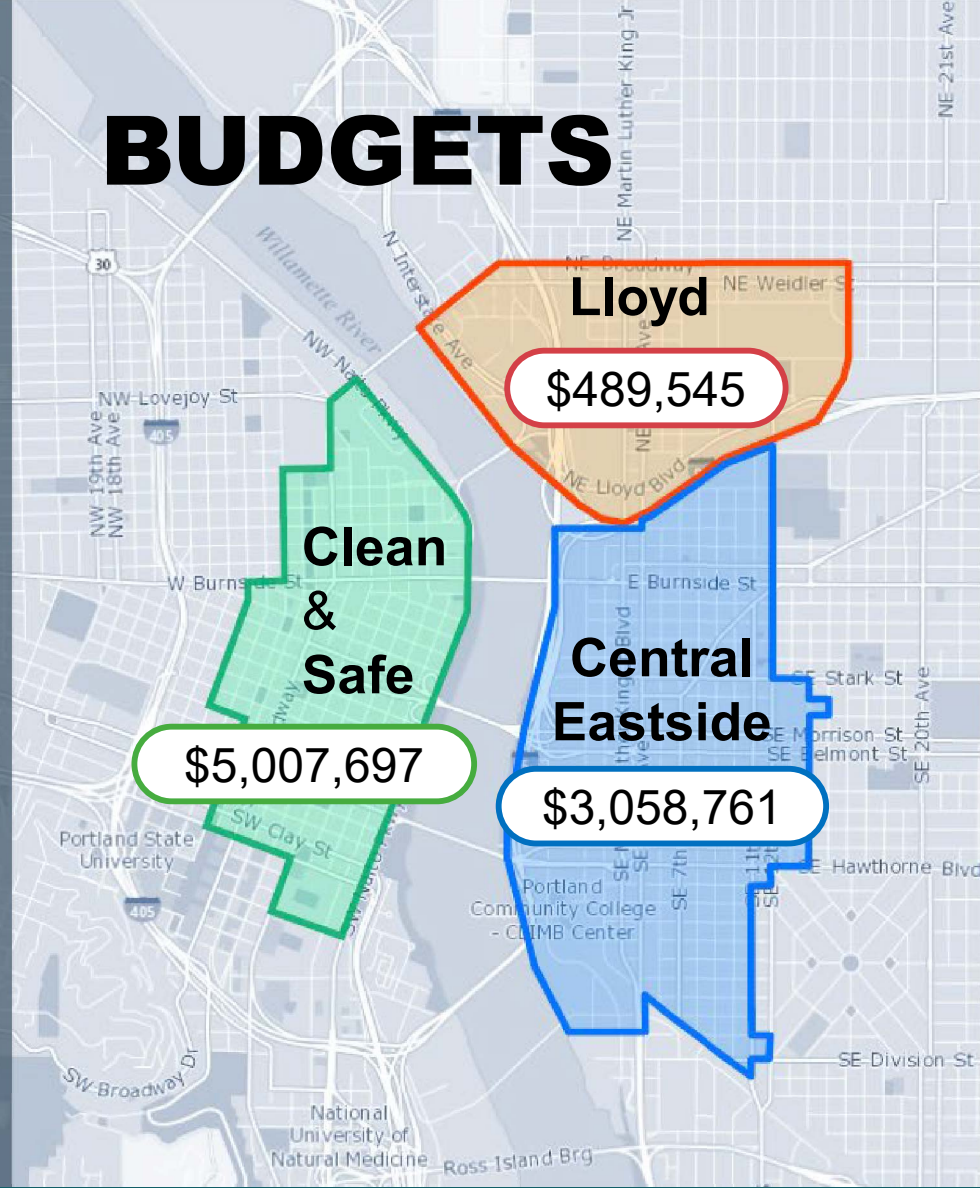


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SERVICES PROVIDED

- Security
- Street maintenance
- Graffiti removal
- Business development
- Marketing
- Transportation
- Others

BUDGETS



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WHY IS OVERSIGHT IMPORTANT?



Districts fund services that
impact the public



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THE CITY DOES NOT COMPLETE REQUIRED OVERSIGHT

	Clean & Safe	Lloyd	Central Eastside
Administer district license fees	✓	✓	✓
Review annual budget	✗	✗	✗
Review annual scope of work	✗	✗	✗
Monitor use of funds	✗	✗	N/A
Conduct audits	✗	N/A	N/A
Review security officer complaints, investigations	✗	N/A	N/A
Review districts' subcontracts	✗	✗	N/A

SouthernOregonDrone.net



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NO GUIDELINES

X	NO CITY GUIDANCE	on process to form districts
X	NO CITY GUIDANCE	on district governance or allowable services
✓	Clear city guidance	in place to collect and distribute fee revenue

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LACK OF TRANSPARENCY AND ACCOUNTABILITY



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Recommendations

- 1** Review the status of districts, their purposes, and City's responsibility for them.
- 2** Revise agreements between the City and each district
- 3** Develop a process for effective City oversight of district agreements.

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Enhanced Services Districts Audit – August 2020

Office of Management and Finance largely agreed with recommendations

City is not recovering the full costs of district administration.

Revenue Division is suited to collect revenue but not administer the contracts.

Districts have grown to a size and scope that a dedicated manager would be appropriate.

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Questions?

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Equity in
Construction
Contracting:
Some goals achieved
despite
mismanagement,
waste, and
gamesmanship



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Subcontractor
equity goals



Workforce
equity goals



Workforce and
contractor
diversity grants



Alternative bid
contracting



Prime
Contractor
Development
Program



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Audit Results

Prime Contractor Development Program

Procurement Process

Communication

Capacity

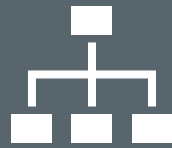
More Information



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Goals Work



Subcontractor
equity goals



Workforce
equity goals



Subcontractors

Minority and Woman

Actual

15%

Goal

14%

All Certified

19%

20%



Workers

People of Color

30%

14%

Apprentice

21%

20%

Woman

8%

9%

Prime

Process

Communicate

Capacity



Prime

Process

Communicate

Capacity

White Female **\$21.4**

White Male **\$12.2**

African American Male **\$9.4**

Asian Pacific Male **\$4.4**

Hispanic Female **\$4.2**

Asian Pacific Female **\$2.4**

Hispanic Male **\$0.9**

Data unavailable **\$0.6**

African American Female **\$0.1**

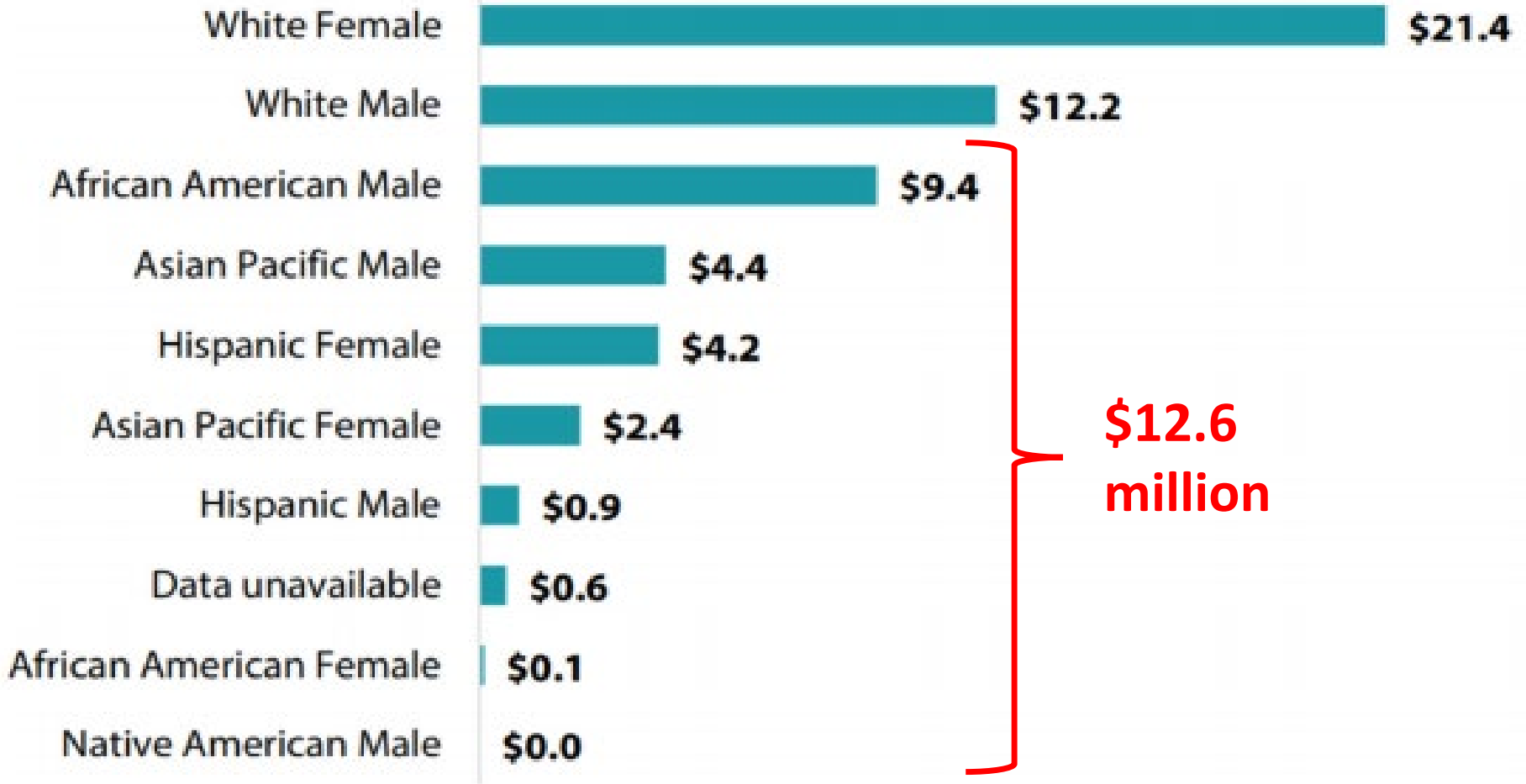
Native American Male **\$0.0**

Prime

Process

Communicate

Capacity



Prime

Process

Communicate

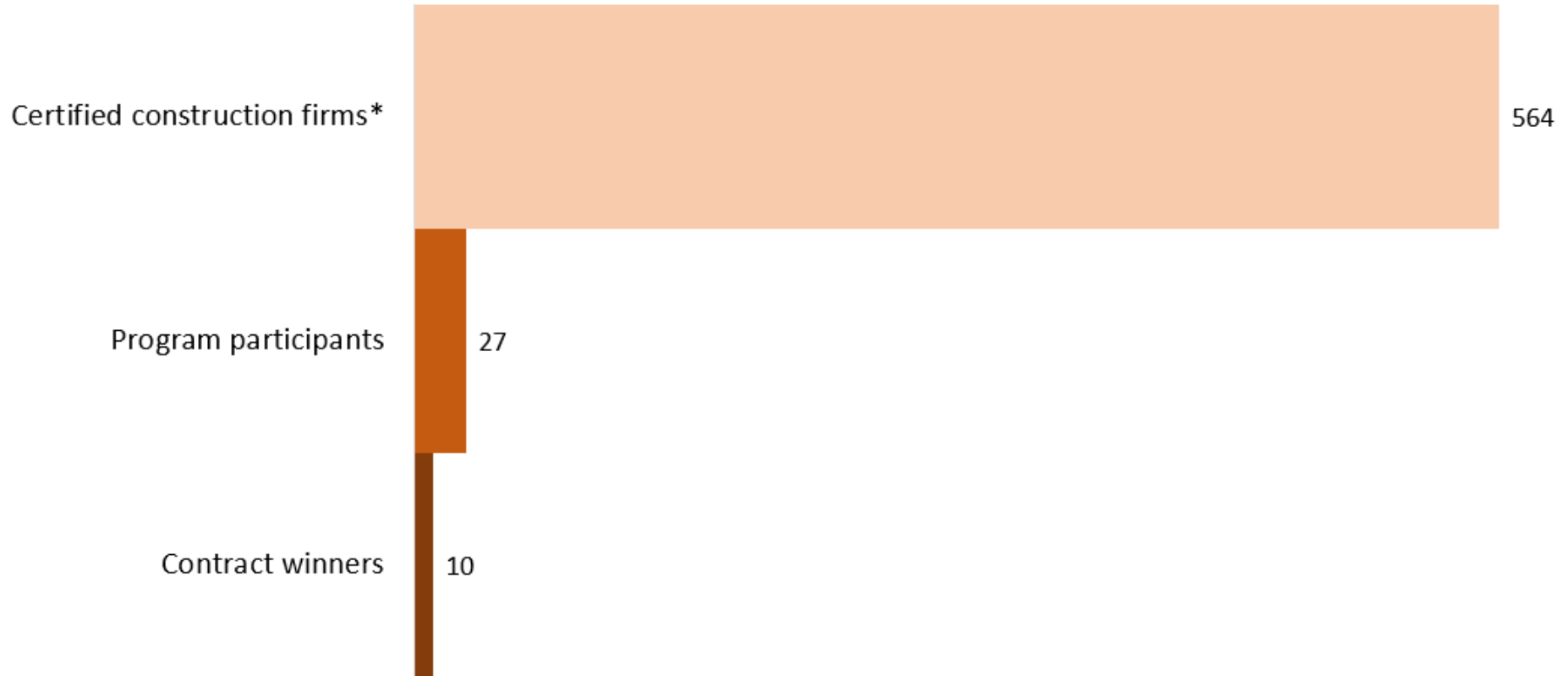
Capacity



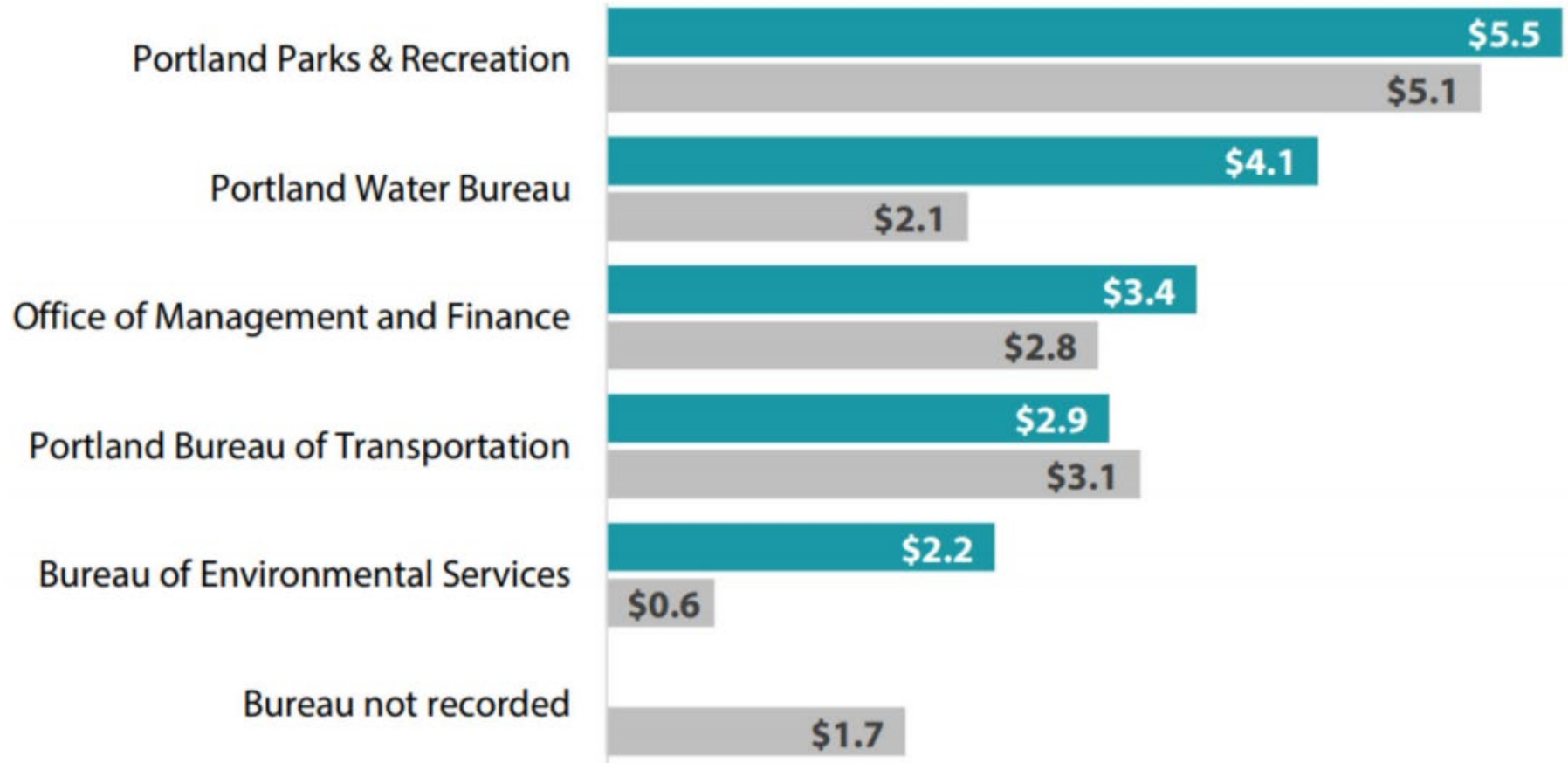
58%

**of participants
won no contracts**

The Prime Contractor Development Program acts as an equity barrier



* Based on Procurement's suggestion, firms are limited to those based in Multnomah, Clackamas, Washginton, Marion, Yamhill and Columbia counties.

Contracts were awarded on the open market *without approval* (millions)

Prime

Process

Communicate

Capacity

Management problems



Money wasted



Not monitoring

Recommendations



Remove barriers



Eliminate technical assistance



Set aspirational goal



Follow exemption rules

Prime

Process

Communicate

Capacity



Collusion

Bundling

Certification

Prime

Process

Communicate

Capacity

Certification



Recommendations



Procurement inspector



Data collection



Define, monitor bundling

Perceptions of favoritism



Good job of building relationships



But some feel left out

Recommendations



Centralize and formalize



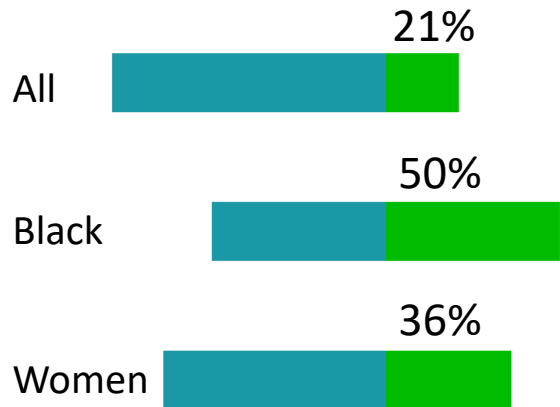
Track to ensure it's fair



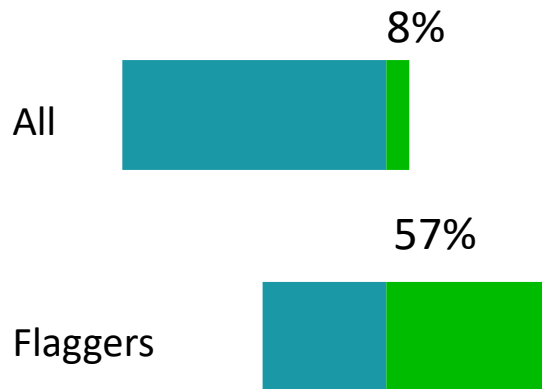
Bureaus post upcoming projects

Workforce Diversity

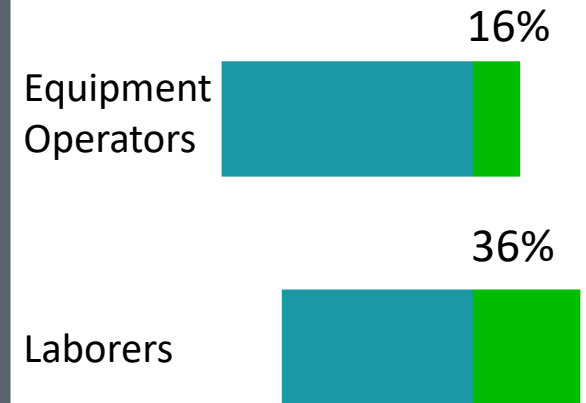
Regular | Apprentice



Men | Women



White | People of Color



Prime

Process

Communicate

Capacity

Contractor Diversity



Few Certified Contractors

Prime

Process

Communicate

Capacity

Not Growing Capacity



Workforce Training



Contractor Technical
Assistance

Recommendations



Produce reports including
disaggregated data



Identify trends and lessons-learned



Use data to guide capacity-building

EQUITY IN CONSTRUCTION CONTRACTING:

Some goals achieved despite mismanagement,
waste, and gamesmanship

September 2020



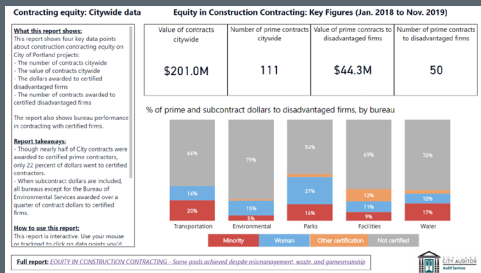
[Portlandoregon.gov/
auditservices/EquityContracting](https://portlandoregon.gov/auditservices/EquityContracting)



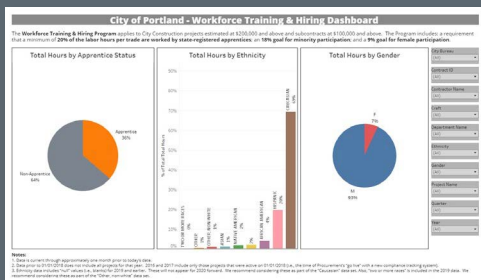
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Subcontractor Interactive data Portlandoregon.gov/ auditservices/ContractingDashboard



Workforce Interactive data (Procurement) Portlandoregon.gov/ brfs/42255



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